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Strengthening of the coordination of humanitarian and disaster relief assistance of the United Nations, including special economic assistance: strengthening of the coordination of emergency humanitarian assistance of the United Nations

Central Emergency Response Fund

Report of the Secretary-General

Summary

The present report provides a description of the activities of the Central Emergency Response Fund carried out from 1 January to 31 December 2016, pursuant to General Assembly resolution 71/127. The Fund has continued to demonstrate its value in supporting targeted life-saving assistance to people experiencing humanitarian crises. During the reporting period, the Emergency Relief Coordinator approved $438.9 million for 439 projects in 47 countries. In addition, a loan of nearly $8 million was approved from the Fund's loan facility. As at 31 December 2016, the Fund had received $426.3 million for 2016, which is just under 95 per cent of its annual target of $450 million. The shortfall was attributable in part to a strong United States dollar vis-à-vis core donor currencies. In December 2016, in order to meet rising humanitarian needs, the Assembly adopted resolution 71/127, in which it called for increasing voluntary contributions to the Fund in order to achieve an annual funding level of $1 billion by 2018.

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I. Introduction

1. The present report is submitted pursuant to General Assembly resolution 71/127 on strengthening the coordination of emergency humanitarian assistance of the United Nations, in which the Assembly requested the Secretary-General to submit a report on the detailed use of the Central Emergency Response Fund. The activities carried out by the Fund from 1 January to 31 December 2016 are covered in the report.

II. Overview of the funding commitments of the fund

2. In 2016, the Emergency Relief Coordinator approved grants totalling $438.9 million for humanitarian assistance in 47 countries (see table 1). Allocations included $288.9 million under the rapid response window and nearly $150 million for underfunded crises through the underfunded emergencies window. The Coordinator also approved a loan of $8 million to the United Nations Children's Fund (UNICEF) in October 2016 to respond to the cholera epidemic in Haiti, and a loan of $20 million to the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) in November 2016 to provide essential health-care services and food assistance in the Agency's five fields of operation. Between the inception of the Fund in 2005 and the end of 2016, the Fund has provided $4.6 billion for humanitarian assistance in more than 98 countries. Grants are allocated to United Nations funds, programmes and specialized agencies. These are referred to collectively as "agencies" in the present report.

Table 1
Central Emergency Response Fund allocations from 1 January to 31 December 2016
(United States dollars)

	Rapid response window	*Underfunded emergencies window*	*Total*
Amount approved	288 984 456	149 937 717	438 922 173
Number of recipient countries or territories	43	15	47[a]
Number of projects funded	309	130	439

[a] Certain countries or territories received allocations from both funding windows.

3. In accordance with the Secretary-General's bulletin ST/SGB/2010/5, at least two thirds of the Fund's grant allocations are intended for disbursement through its rapid response window. Allocations from this window promote early response to humanitarian needs by funding critical, life-saving humanitarian activities in the initial stages of a sudden-onset crisis or in the case of a significant deterioration of an existing emergency. During the reporting period, the Fund provided $288.9 million to 43 countries through the rapid response window (see table 2). The countries that received the largest levels of funding through the rapid response window were Iraq ($33.4 million), Nigeria ($23.5 million), South Sudan ($20.8 million), the Sudan ($17.6 million) and Somalia ($12.9 million). In Iraq, Nigeria, South Sudan and the Sudan, funds went largely towards assisting people affected by conflict and displacement. For example, in Iraq, allocations provided life-saving assistance to people displaced by fighting in Fallujah. In Somalia, the rapid response funds helped people affected by drought as well as people affected by a cholera outbreak. Overall, $168.9 million in rapid response funding assisted

conflict-affected people; $106.9 million was for humanitarian assistance related to climatic events and natural disasters (drought, storms, floods and earthquakes); $12.8 million supported rapid response to health emergencies; and $0.3 million was allocated in response to serious outbreaks of locusts against crops.

Table 2
Rapid response window allocations by country
(United States dollars)

Country	*Total allocations*
Afghanistan	9 782 398
Angola	7 989 386
Bangladesh	4 890 038
Cameroon	4 187 543
Central African Republic	2 985 563
Chad	9 991 552
Congo	2 366 915
Côte d'Ivoire	1 965 416
Cuba	5 352 736
Democratic People's Republic of Korea	5 054 519
Democratic Republic of the Congo	5 594 179
Djibouti	1 972 054
Ecuador	7 501 349
Ethiopia	9 491 863
Fiji	8 022 382
Guatemala	4 829 690
Guinea	2 971 319
Haiti	10 383 240
Iraq	33 354 244
Jordan	9 377 520
Kenya	962 943
Lao People's Democratic Republic	328 811
Lesotho	4 782 918
Madagascar	5 988 888
Malawi	1 437 503
Mongolia	2 442 974
Mozambique	4 679 803
Myanmar	3 570 457
Nepal	1 942 999
Niger	4 989 275
Nigeria	23 483 769
Papua New Guinea	4 736 155
Rwanda	4 218 944
Somalia	12 885 332
South Sudan	20 823 623
Sri Lanka	4 320 080
Sudan	17 644 007

Country	*Total allocations*
Swaziland	3 141 908
Timor-Leste	846 703
Uganda	10 297 497
Tanzania	1 498 097
Viet Nam	3 897 864
Yemen	2 000 000
Total	**288 984 456**

4. Up to one third of the Fund's allocations are intended for underfunded emergencies. These allocations are made in two rounds during the year and allow partners to carry out life-saving activities in places where humanitarian assistance is chronically underfunded. Such an approach addresses critical humanitarian need and helps draw attention to funding gaps and to places where donor interest may have waned. In 2016, the Emergency Relief Coordinator approved nearly $150 million through the underfunded emergencies window for efforts in 15 countries. Ninety-three per cent of the funds provided through this window went to assist people affected by conflict and displacement in West and Central Africa, East Africa, North Africa and Yemen. The highest amounts were for response to crises in Uganda ($18 million, for refugees), Mali ($16 million, for ongoing displacement), Yemen ($13 million, for displacement), Burundi ($13 million, for refugees) and Libya ($12 million, for conflict and displacement).

5. A total of $100 million was allocated in the first round in February and $50 million in the second round in August (see table 3). The Fund's first underfunded emergencies allocation round provided life-saving assistance to people in nine countries. To address needs stemming from displacement crises in East and Central Africa, the Fund allocated $64 million for aid for 1.7 million people in Burundi, Ethiopia, Kenya, the Sudan, Uganda and the United Republic of Tanzania. In addition to that amount, $28 million went to address the humanitarian needs of about 800,000 people affected by conflict, displacement and food insecurity in Libya and Mali, and another $8 million funded humanitarian responses in the People's Democratic Republic of Korea (including assistance for 1.8 million children under 5 years of age and 350,000 pregnant and lactating women). All but $8 million of the first-round allocations was for displacement-related relief efforts. Second-round allocations of $50 million funded displacement-related relief in four countries in Central Africa and Yemen, as well as a variety of health and nutrition services for people affected by drought in Eritrea. About 2 million people were targeted by the second round of funding. United Nations agencies and their local implementing partners provided treatment for malnutrition, access to health care, protection against water-borne diseases and food security assistance to displaced people, among other services and support.

Table 3
Underfunded emergency window allocations by country

(United States dollars)

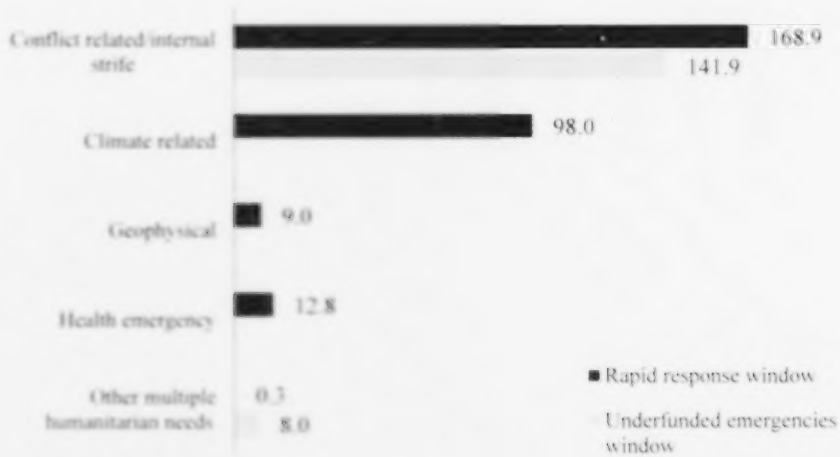
Country	*Round I*	*Round II*	*Total*
Burundi	12 985 955		12 985 955
Central African Republic		8 999 815	8 999 815
Chad		10 000 551	10 000 551

Country	*Round I*	*Round II*	*Total*
Democratic People's Republic of Korea	8 000 692		8 000 692
Democratic Republic of the Congo		10 995 505	10 995 505
Eritrea		2 002 599	2 002 599
Ethiopia	10 991 119		10 991 119
Kenya	3 998 746		3 998 746
Libya	11 989 024		11 989 024
Mali	15 999 980		15 999 980
Rwanda		4 998 778	4 998 778
Sudan	6 991 425		6 991 425
Uganda	18 000 027		18 000 027
United Republic of Tanzania	10 994 664		10 994 664
Yemen		12 988 837	12 988 837
Total	**99 951 632**	**49 986 085**	**149 937 717**

6. In 2016, partners used Fund allocations to assist people facing a range of humanitarian emergencies (see figure I). A full $310.8 million — or nearly 71 per cent of funds — went to projects aiding people affected by conflict or internal strife. The countries with the highest levels of funding for such assistance were Iraq ($33.4 million), Uganda ($28.3 million), the Sudan ($24.6 million), Nigeria ($23.1 million) and South Sudan ($20.8 million).

Figure I
Central Emergency Response Fund, allocations by emergency type in 2016

(Millions of United States dollars)



7. Displacement was the primary emergency type that received the largest assistance from the Fund in 2016. The second major focus in 2016, as was the case in 2015, was on climate-related humanitarian assistance. A total of $98 million was allocated for assistance related to meteorological, hydrological and climatological events. That allocation was less than in 2015, when the Fund provided substantial support to initiate humanitarian action for people suffering the effects of El Niño, but it was still considerably higher than allocations in 2014. The allocations in 2016

went to 21 countries of diverse contexts and across all regions of operation. More than $52 million was provided in response to drought emergencies that were largely linked to El Niño. In addition, $7.5 million was allocated to respond to the earthquake in Ecuador in April 2016.

8. In terms of sectors, slightly more than one quarter of allocated funds ($122.4 million) was for food security interventions, including food aid ($100.5 million) and agriculture and livelihoods support, including livestock ($21.9 million). In addition, $44.4 million was allocated for nutrition assistance, bringing the total for food security and nutrition to $166.8 million, or 38 per cent of fund allocations, which is similar to the percentage allocated to those sectors in 2015 (40 per cent) (see figure II).

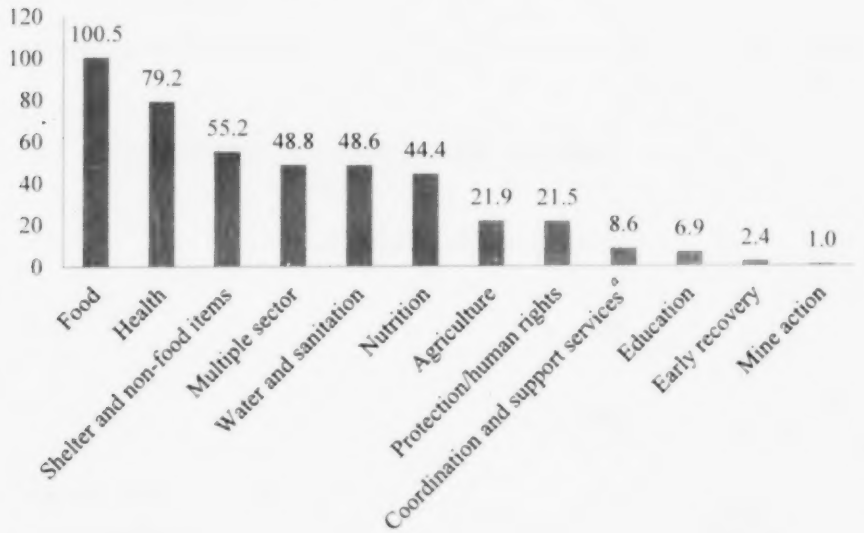
9. In 2016, $79.2 million was allocated to health-related interventions, including $54.8 million for conflict-related emergencies, $10.4 million for climate-related crises and $10.2 million for disease outbreaks. A total of $55.2 million was allocated for interventions involving the provision of shelter and non-food items.

10. A total of $48.6 million was allocated for water and sanitation-related humanitarian response in 2016. About $30.6 million of that amount was allocated for conflict-related crises and $13.8 million for climate-related interventions. In 2016, the Fund provided $8.6 million for camp coordination, staff safety and security, logistics and telecommunications and humanitarian air services.

Figure II

Central Emergency Response Fund, grant allocations by sector in 2016

(Millions of United States dollars)



* Coordination and support services include camp coordination and camp management, common humanitarian air service, common logistics, common telecommunications and safety and security of staff and operations.

11. Humanitarian response in Africa to meet the extensive needs arising primarily from conflict and the impact of climate change received the highest level and share of funding by region again in 2016. A total of $295.3 million was allocated for addressing humanitarian need in Africa, representing 67.3 per cent of all allocations

in 2016, up significantly from 52.3 per cent of allocations in 2015. Allocations were primarily in response to needs stemming from conflict ($197.3 million) and internal strife ($44.9 million). In line with the relatively high percentage of 2016 funding to climate-related emergencies, in particularly in response to drought, allocations to address climate-induced needs in Africa accounted for $40.7 million, or 14 per cent, of all allocations in Africa. Of the total allocations for response in Africa, $123.8 million was for food security and nutrition interventions, which is similar to the $120.7 million allocated for these sectors in 2015. A total of $43.3 million was allocated for health interventions (compared with $24.5 million in 2015). Allocations for shelter also nearly doubled, from $14.9 million in 2015 to $28.5 million in 2016.

12. A total of $57.8 million was allocated to address humanitarian needs in Asia and the Pacific in 2016, compared with $77.5 million in 2015. Nearly 65 per cent of allocations in 2016 was for climate-related needs. People in three countries in Asia that had never before benefited from allocations from the Fund did so for the first time in 2016. This was attributable to climate-related needs stemming from drought (Papua New Guinea and Viet Nam) and tropical cyclones (Fiji).

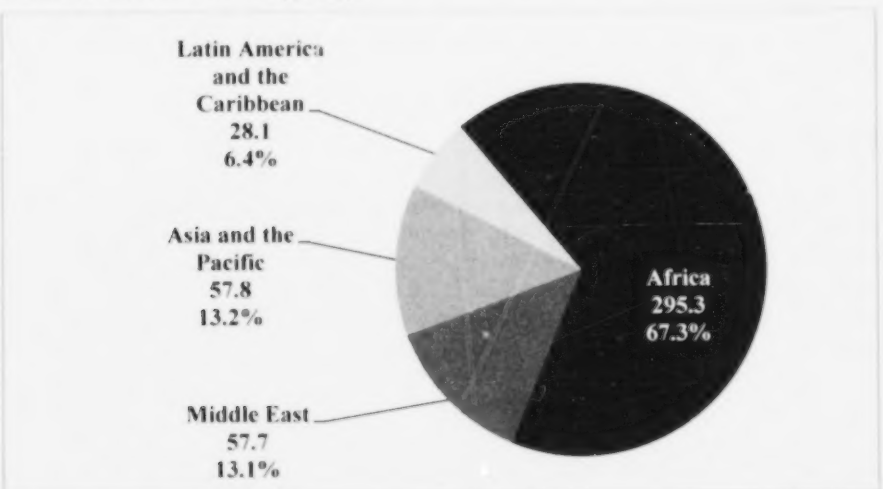
13. United Nations organizations in Ecuador also received Fund allocations for the first time in 2016, in response to the April earthquake. Projects in Latin America and the Caribbean received $28.1 million from the Fund, all of which went for response to natural disasters, including the earthquake in Ecuador, Hurricane Matthew in Cuba and Haiti (October) and drought conditions in Guatemala.

14. Humanitarian action in the Middle East (Iraq, Jordan and Yemen) received $57.7 million from the Fund in 2016, compared with $122.7 million in 2015 — a year in which Lebanon, the Syrian Arab Republic and Yemen were the top recipients of Fund allocations. In 2015, the Fund played a critical role in scaling up the response to the intensifying conflict in Yemen, with $44.3 million in rapid-response grants. As growing needs outpaced resources in 2016, the Fund supported Yemen again in 2016, with $12 million from the underfunded emergencies window and $2 million to jump-start urgent response to a cholera outbreak.

Figure III

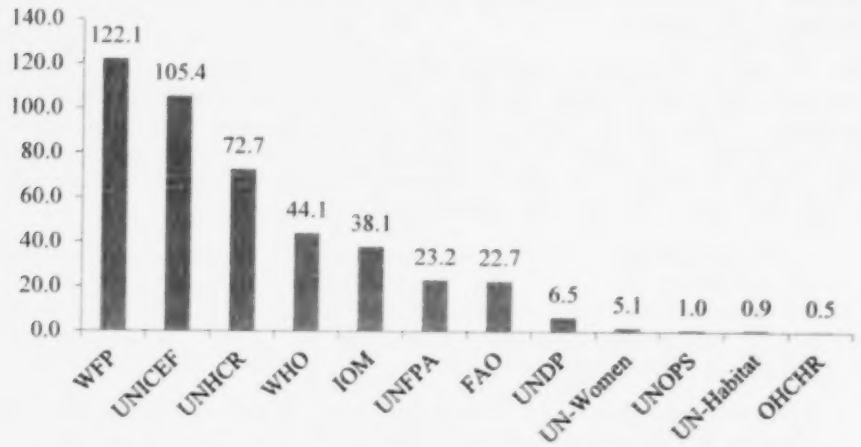
Central Emergency Response Fund, grant allocations by region in 2016

(Millions of United States dollars and percentage)



15. The agencies receiving the largest total amounts of Fund allocations in 2016 were the World Food Programme ($122.1 million for 71 projects in 39 countries); UNICEF ($105.4 million for 126 projects in 43 countries); and the Office of the United Nations High Commissioner for Refugees (UNHCR) ($72.7 million for 48 projects in 23 countries) (see figure IV).

Figure IV
Central Emergency Response Fund, grant allocations by agency in 2016
(Millions of United States dollars)



Abbreviations: FAO, Food and Agriculture Organization of the United Nations; IOM, International Organization for Migration; OHCHR, Office of the United Nations High Commissioner for Human Rights; UNDP, United Nations Development Programme; UNFPA, United Nations Population Fund; UN-Habitat, United Nations Human Settlements Programme; UNHCR, Office of the United Nations High Commissioner for Refugees; UNICEF, United Nations Children's Fund; UNOPS, United Nations Office for Project Services; UN-Women, United Nations Entity for Gender Equality and the Empowerment of Women; WFP, World Food Programme; and WHO, World Health Organization.

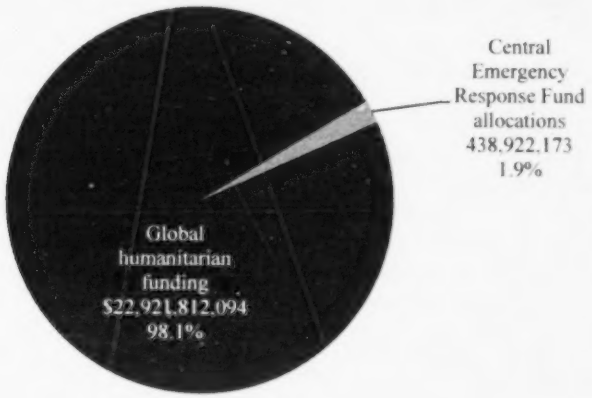
16. Pursuant to General Assembly resolution 66/119, the Fund maintains a $30 million loan facility to provide loans to eligible organizations while they are mobilizing resources. In 2016, the Fund provided a loan of $8 million to UNICEF to respond to cholera in Haiti.

III. Use of the fund

17. Global humanitarian needs reached record levels in 2016. Humanitarian crises affected some 130 million people around the world, most of whom were experiencing needs which had arisen as a result of armed conflicts. Global humanitarian funding for 2016 reached $22.9 billion, and the Fund's disbursements represented 1.9 per cent of that funding (see figure V), compared with 2.3 per cent in 2015.

Figure V
Central Emergency Response Fund, allocations as a percentage of global funding in 2016

(United States dollars and percentage)



Source: Financial Tracking Service of the Office for the Coordination of Humanitarian Affairs.

18. The Fund continued to respond to the most critical needs of crisis-affected people in 2016. The Fund's unique added value is reflected in the ability of the Emergency Relief Coordinator to prioritize assistance activity on the basis of the greatest needs of the moment. This focus on people most in need requires joint planning and prioritization by humanitarian country teams, including humanitarian partners and resident coordinators/humanitarian coordinators. This approach reinforces the collective needs assessment and planning processes to ensure a more strategic use of Fund allocations in each emergency.

19. In addition to directly meeting urgent humanitarian needs, Fund allocations also help to highlight new and emerging crises and draw attention to situations where there is a dire need for funding for humanitarian action.

A. Central Emergency Response Fund and the global displacement crisis: funds for urgent relief across countries and contexts

20. In 2016, the Fund allocated $285 million for humanitarian assistance related to displacement, or 65 per cent of all allocations, which is similar to the proportion allocated to displacement-related response in 2015. The figures reflect a phenomenon of global displacement that has left more than 65 million people displaced largely as a result of conflict or violence, either within their own countries or as refugees or asylum seekers elsewhere. Furthermore, there were 24.2 million new displacements in 2016 resulting from disasters around the world.

21. Displacement in 2016 was not unique to any one country or regional humanitarian situation. Fund allocations related to displacement funded relief efforts in 23 countries and were provided through the rapid response window and the underfunded emergencies windows. Allocations related to displacement-induced needs were the highest in Uganda ($28.3 million), the Sudan ($24.6 million), Nigeria ($23.1 million), Ethiopia ($20.5 million) and Iraq ($18.4 million).

22. Allocations related to displacement were concentrated in the following sectors: food security ($65.5 million), health ($43.5 million), multisector refugee assistance ($38 million), shelter and non-food items ($32.4 million) and nutrition ($21.8 million). Protection-related allocations in displacement contexts were $14.8 million.

23. The examples set out below serve to illustrate how Fund allocations helped to make a difference in people's lives across countries and within different contexts of displacement through rapid response funding and the underfunded emergencies window.

24. When security forces in Iraq moved to retake the city of Fallujah in mid-2016, the intense fighting caused 85,500 of the city's residents to flee their homes. About 150,000 people faced extreme shortages of food, clean drinking water, medicine and electricity. High temperatures compounded the challenges to basic survival. Humanitarian agencies had prepared contingency plans for such a situation but the scale of the crisis surpassed estimates, necessitating additional resources. In mid-July, the Fund provided $15 million for humanitarian aid to Fallujah and the surrounding areas of Anbar and Salah al-Din Governorate through the rapid response window. The funding allowed UNHCR, UNICEF, IOM and WHO to assist about 150,000 people with emergency health care, shelter and relief supplies, water and sanitation services, food assistance, protection services and camp management and coordination.

25. To address needs stemming from displacement crises in East Africa and North Africa, the Fund allocated $64 million for aid to 1.7 million people in Burundi, Ethiopia, Kenya, the Sudan, Uganda and the United Republic of Tanzania.

26. Humanitarian efforts linked to population displacement accounted for all $28.3 million in Fund allocations for Uganda in 2016. Uganda is host to nearly 1 million refugees, and the response in that country is reflective of efforts to cope with the displacement crisis that has embroiled Central Africa and East Africa in recent years. Provided partly through the underfunded emergencies window ($18 million) and partly through the rapid response window ($10.3 million), Fund allocations for Uganda helped to meet the needs of refugees from Burundi, the Democratic Republic of the Congo and South Sudan and those of the communities that host them. Conflict in South Sudan, which has been ongoing since 2013, forced some 660,000 South Sudanese to seek refuge in Uganda by the end of 2016. Uganda now hosts the world's largest refugee camp, the Bidi Bidi settlement, which is home to 270,000 South Sudanese. Nearly 215,000 refugees from the Democratic Republic of the Congo also live in Uganda, and the country hosts about 40,000 refugees from Burundi, whose arrival peaked in March 2016. In 2016, activities funded by the Fund for this diverse group of refugees included reception and registration; the provision of shelter and non-food items; the establishment of women- and child-friendly spaces; sexual and reproductive health care; food aid for people in transit; livelihoods and agricultural support for refugee families; health care; and water and sanitation interventions.

27. When a person flees his or her home, the initial displacement is only one point in the continuum of disruption, which also encompasses reception and settlement in a host location, and eventually may include a return home. There are specific needs associated with each of these situations. In 2016, $9.8 million in funds allocated by the Fund brought assistance to people returning to Afghanistan. Humanitarian efforts in that country targeted documented and undocumented Afghan returnees with services such as shelter and winterization supplies, mine-risk education, food aid, health-care services and cash assistance.

B. Natural disasters and disease outbreaks

28. Too much water, or not enough, is the hallmark of El Niño, which continued to affect vulnerable communities worldwide in 2016. Since 2015, El Niño has upended typical weather patterns, triggering both drought and flooding and causing parched earth and failed harvests, or too much water, failed harvests and a higher risk of water-borne diseases. By late 2016, it had affected some 60 million people in East Africa and Southern Africa, South-East Asia, the Pacific Islands and the Caribbean and parts of Central America. From early 2015 to the end of 2016, the Fund allocated $117.5 million for El Niño-related relief in 19 countries. In 2016, the Fund's grants linked to the humanitarian consequences of El Niño totalled $61 million for relief efforts in 13 countries.

29. In October 2016, Hurricane Matthew hit the Caribbean, with severe consequences for life and property in several countries. The Fund, the largest contributor to the United Nations humanitarian appeal for relief in Cuba, provided $5.4 million, or 71 per cent of the appeal, for safe education and recreation spaces for children; food aid for children, the elderly and pregnant and lactating women; sexual and reproductive health interventions; and non-food items and temporary shelter. The hurricane was devastating to Haiti, where people were still struggling to fully recover from the earthquake of 2010 and to cope with a cholera epidemic. Homes, basic infrastructure and livelihoods were destroyed. The flexible structure of the Fund allowed for the provision of $6.8 million within days of the hurricane to help agencies on the ground in Haiti to jump-start hurricane-relief efforts. Work funded by allocations from the Fund included general food distribution in the wake of the hurricane, support for vulnerable girls and women, the procurement of classroom materials for post-hurricane back-to-school efforts, the reinforcement of cholera-prevention work, bolstering capacity to manage the distribution of non-food items for people displaced by the hurricane, and other humanitarian work. In December, the Emergency Relief Coordinator provided an additional $3.5 million to help families in Haiti that were still sheltering in schools to begin emergency repairs to their homes so that the schools could restart.

30. Extreme tropical cyclones also affected vulnerable people in Fiji. Tropical Cyclone Winston, a category 5 tropical cyclone, hit the archipelago in February 2016; entire villages were wiped out and schools destroyed. Thousands of people sought emergency shelter. Providing essential food, health care and shelter was a priority, as was re-establishing communications and movement among the islands. The Fund allocated $8 million through the rapid response window to address these immediate needs.

31. In April 2016, a 7.8-magnitude earthquake struck Ecuador, directly affecting more than 385,000 people. It resulted in thousands of injuries and the loss of hundreds of lives. The Fund released $7.5 million almost immediately. The funds helped agencies and their partners to provide primary-care services, along with shelter and relief items, drinking water, protection responses related to sexual and gender-based violence, camp coordination and camp management services and other support, such as a displacement-tracking matrix.

32. A yellow fever outbreak was the impetus for the Fund's rapid response funding for Angola in March 2016. Yellow fever emerged in that country late in 2015, and WHO-led emergency vaccination campaigns, using vaccine stocks from the International Coordinating Group, reached millions of people in the most affected provinces. The Fund allocated $3 million to WHO in March to replenish some of the stocks, which in turn were used to help roll back the outbreak by means of vaccination campaigns throughout 2016, thereby reaching more than 2 million people.

C. Impact on the region of funding from the Fund

33. As was the case with the previous report, the regional spotlight of the present report falls on the Lake Chad Basin area. More than 10 million people in Cameroon, Chad, the Niger and Nigeria — the four countries bordering Lake Chad — continue to experience extreme humanitarian need owing to drought and Boko Haram-related violence in the region. By early February 2017, 2.3 million people had been displaced, more than 7.1 million people were food insecure at crisis or emergency levels and half a million children were suffering from severe acute malnutrition. Millions of people lacked access to clean water, health care and education.

34. From 2014 to the end of 2016, the Fund allocated $104 million for humanitarian assistance to people affected by the crisis in the Lake Chad Basin. In 2016, the Fund designated $52.7 million from the rapid response window and the underfunded emergencies window for the four countries to address humanitarian needs arising from Boko Haram-related violence. The Fund enabled a number of agencies and their implementing partners to undertake a holistic response to an all-encompassing crisis situation that had become chronic and was rapidly evolving.

35. The relief work funded by allocations from the Fund to meet the needs caused by the Lake Chad Basin crisis in 2016 was broad and varied. Some of the many examples included emergency obstetric care, and protection and psychosocial support for children (Cameroon); food rations, agricultural support and treatment for severe and moderate acute malnutrition (Chad); the minimum initial service package of health care and reproductive services to combat maternal and newborn mortality, and shelter and non-food items to newly displaced people (the Niger); and emergency health services and the minimum initial package of services for reproductive health care (Nigeria).

IV. Management and administration of the Fund

Advisory Group

36. The Advisory Group of the Central Emergency Response Fund was established following the adoption of General Assembly resolution 60/124 to advise the Secretary-General, through the Emergency Relief Coordinator, on the use and impact of the Fund. In 2016, the Advisory Group met in March and September. At the meeting in March, the Group declared its support for the expansion of the funding target of the Fund to $1 billion per year and reiterated support for the Fund's focus on rapid and life-saving work. In September, the Secretary-General named eight new members to the 18-member Advisory Group.[1] The Group applauded the reduction in the United Nations Secretariat programme support cost from 3 to 2 per cent and expressed its appreciation for the effective management of the Fund.

Global reach of Fund partnerships

37. The Fund is mandated to provide grants only to United Nations agencies, but many of its grants are implemented by United Nations agencies in partnership with non-governmental organizations (NGOs), host Governments and Red Cross/Red Crescent societies.

[1] There were eight new members, as opposed to the traditional six, owing to the early departure of two members.

38. Of the Fund's total $470 million in allocations in 2015 (the latest year for which partnership data are available),[2] a total of $120 million in subgrants was provided by recipient United Nations agencies to 648 implementing partners across 45 countries. This vast network of partnerships represents an unparalleled global reach that would be difficult to achieve through direct donor-funding agreements.

39. Subgrants represented 26 per cent of the overall funding allocated by the Fund in 2015. That figure does not include the value of in-kind partnership arrangements.

40. The majority of organizations that implemented funding through subgrants in 2015 were national and local partners, including 320 national or local NGOs, 161 government partners and 24 Red Cross/Red Crescent societies. The remaining 143 partners were international NGOs. The agencies that made the most use of subgrants received through the Fund were UNICEF ($48 million), UNHCR ($28 million) and WFP ($21 million).

Monitoring

41. In 2016, the Fund developed a guidance note on country-level monitoring of the implementation of its allocations. In the note, the it clarifies roles and responsibilities in tracking the implementation of grants from the Fund and in ensuring that relevant and timely information is available to resident coordinators/humanitarian coordinators. The note was developed in response to requests from field-level partners involved in the processes of the Fund and in accordance with the recommendations of several audits and evaluations carried out with regard to the Fund, including audits by the Office of Internal Oversight Services of the Secretariat.

42. The Fund also created an interim project-reporting template to facilitate easy information-sharing at the country level. It will help to ensure that resident coordinators/humanitarian coordinators and other humanitarian actors in each country are kept informed about the implementation of projects funded by the Fund.

43. The guidance note and the interim project-reporting template were forwarded to all resident coordinators/humanitarian coordinators as an attachment to the allocation-approval email they received from the Emergency Relief Coordinator. Owing to the positive feedback received from resident coordinators/humanitarian coordinators on the usefulness of the interim project-reporting template and to observations contained in audits conducted at the field level, the secretariat of the Fund decided to make use of the interim project-reporting template mandatory in 2017.

Transparency

44. Transparency is the cornerstone of accountability. Initiatives such as the Fund's grant management system, which continued to be developed in 2016, ensure that all the grant data of the Fund are readily available in one searchable location. When that system is updated, the financial tracking system, which is managed by the Financial Tracking Service of the Office for the Coordination of Humanitarian Affairs, and the Fund website are also updated. The roll-out and consolidation of the system have contributed greatly to expanded reporting by the Fund in line with

[2] Central Emergency Response Fund grants are implemented within a time frame of six to nine months, and narrative reports on grant implementation are required three months thereafter. Thus, the funding allocated in 2015 was implemented by the fourth quarter of 2016 and reported on by the end of 2016.

standards set by the International Aid Transparency Initiative. The Fund now reports all of its allocations through the voluntary, multi-stakeholder International Aid Transparency Initiative, which seeks to improve the transparency of aid resources to increase their effectiveness.

45. The secretariat of the Fund has also taken steps to publish all of its allocations and contributions on the Humanitarian Data Exchange, which is an open platform for sharing data related to emergencies.

Risk management

46. In 2016, the secretariat of the Fund built upon previous work to track and communicate information related to partner investigations into cases of possible fraud involving funds. In keeping with its communication guidelines and standard operating procedures, the secretariat continued to liaise with agencies and donors regarding potential fraud cases in 2016 and updated its standard operating procedures on the basis of lessons learned. In accordance with the standard operating procedures, the Secretary-General will include in his annual report on the Fund an overview of potential cases of fraudulent use during the year.

47. In 2016 and early 2017, three cases of possible fraudulent use of funds by partners under projects using a Fund grant were reported to the secretariat of the Fund. Communication and follow-up were conducted in accordance with the guidance note and the standard operating procedures. On the basis of evidence gathered during investigations by the investigative offices of the respective agencies, it was found that the allegations in one case were unsubstantiated, and the case was closed. In the two other cases, the allegations were substantiated, with the Fund's combined exposure in the two cases estimated at approximately $4,600 in total.

48. On the basis of the investigation and follow-up actions of the agencies concerned, the circumstances that led to the investigations are considered to be contained, with no additional funds at risk.

Reduction in programme support costs

49. On 1 June 2016, the Fund's programme support cost rate was reduced from 3 to 2 per cent. That effort was in line with the Fund's commitments under the Grand Bargain on humanitarian financing (see para. 65 below). Because the reduction was implemented on 1 June 2016, it made some $2.8 million in additional funding available for grants to support life-saving assistance in 2016. The reduction is expected to make about $4 million available annually for life-saving assistance, based on annual funding of $450 million.

Reporting by resident coordinators/humanitarian coordinators

50. In 2015, the latest year for which such data are available, the Fund reached millions of people with life-saving assistance. About 53 per cent of these people were women and girls. However, the share of women and girls receiving support provided by the Fund was even higher in some sectors: 61 per cent in nutrition and 55 per cent in health. Of the people reached with nutrition assistance provided by the Fund, 71 per cent were children.

51. An estimated 60 per cent of people reached with funding allocated by the Fund in 2015 were refugees, internally displaced people or members of host communities in 37 countries.

52. In 2015, through humanitarian action made possible by grants allocated by the Fund:

- 19 million people benefited from water and sanitation assistance
- 13 million people received access to health care
- 11 million people received food
- 5.7 million people benefited from protection interventions
- 2.6 million people improved their food security through agriculture assistance
- 2.1 million people received shelter assistance or basic relief items
- 2 million people received nutritional support
- Many more people benefited from multisectoral support, mine action, education assistance and camp management interventions.

53. The Fund is of significant strategic added value beyond its value as a source of additional humanitarian funding. When asked to assess the value of funding provided by the Fund in 2015, 88 per cent of resident coordinators/humanitarian coordinators agreed that it led to the fast implementation of humanitarian response (the other 12 per cent found that it led in part to the fast implementation of humanitarian response). Ninety-two per cent said that funding provided by the Fund helped in the response to time-critical humanitarian needs, and 85 per cent felt that funds helped to improve the coordination of humanitarian action.

Training programme

54. In 2016, the secretariat of the Fund continued to deliver its training programme on how to use the Fund more strategically. The interactive workshops of the programme target key participants in the Fund process, including resident coordinators/humanitarian coordinators, United Nations country teams, humanitarian cluster and sector leads and the relevant staff of the Office for the Coordination of Humanitarian Affairs. The workshops provide an array of tools for field and headquarters personnel to use in navigating the challenges of deploying funds strategically and prioritizing the most urgent humanitarian needs. The secretariat delivered five field-based workshops and six webinars to field staff in 2016. Four headquarters sessions were delivered with crucial stakeholders who support the Fund process. Such strategic engagement has led to more focused, better-prioritized submissions to the Fund from humanitarian country teams. In 2017, the Fund will continue to provide field and headquarters workshops while expanding the number and reach of online webinars.

V. Funding levels

55. A total of $427.2 million was pledged in 2016, of which $426.3 million was received by 31 December 2016 (including $76.5 million received in 2015) from 50 Member States and observers, one regional authority and individual donors. Notably, six major donors — Germany, Iceland, Ireland, Norway, Sweden and Switzerland — contributed an additional total of $36.1 million on top of their initial 2016 pledges in order to help the Fund to reduce its funding gap. In addition,

between 1 January and 31 December 2016, $4.3 million was received against previous pledges, and a number of donors advanced a total of $14.3 million for 2017.

56. However, despite such generous support, the funds received fell $23.7 million short of the annual target of $450 million. About $13 million of the shortfall was attributable to exchange rate fluctuations in the currencies of top donors against the United States dollar. The Fund's annual target of $450 million was not achieved in 2015 or 2016.

57. About 98.6 per cent of contributions to the Fund in 2016 was received from the top 20 donors (see annex II). The largest contribution was received from Sweden, followed by the United Kingdom of Great Britain and Northern Ireland, the Netherlands, Germany and Norway. The number of Member States that gave to the Fund dropped from 54 in 2015 to 50 in 2016.

58. Three Fund-recipient countries (Bangladesh, Iraq and Myanmar) received allocations from and contributed to the Fund in 2016, a testament to their solidarity with the Fund. Iraq contributed to the Fund for the first time in 2016.

59. From its inception in 2006 until 2016, the Fund received cumulative contributions of $6.6 billion from 126 Member States and observers and three regional authorities, and from foundations, corporate donors and individuals. Their generous contributions enabled the Fund to respond effectively and efficiently to diverse humanitarian emergencies in 98 countries.

VI. The way forward

Humanitarian impact of the Fund in 2017 and beyond

60. The Fund currently faces emergencies far greater and more complex than those it encountered at its launch in 2006. Global humanitarian funding requirements have more than quadrupled, soaring from just over $5 billion in 2006 to some $21 billion in 2016. The United Nations estimates that more than $22 billion is required in 2017 to meet the needs of nearly 93 million of the world's most vulnerable people. This explosive growth in need, and its greater complexity, means that decision makers must reassess the Fund's current capacity to save lives.

61. A strong and fit-for-purpose Fund is vital to the effectiveness of the humanitarian system in the face of these evolving challenges. In the decade since the launch of the Fund, its annual fundraising target of $450 million has remained unchanged.

62. Given the massive growth in need, by 2016 the share of global needs represented by the funding target of the Fund had declined from nearly 9 per cent to slightly above 2 per cent. When adjusted for inflation, the $450 million target represents just $[illegible]5 million in 2006 dollars. Put another way, to maintain the same funding power it had a decade earlier, the Fund would have needed to raise nearly $540 million in 2016.

63. The fundraising target that the General Assembly defined for the Fund in 2006 is no longer aligned with the scale of the world's crises. Therefore, the Secretary-General called for the Fund to be expanded to a $1 billion annual funding level by 2018. The Assembly officially supported that goal in its resolution 71/127 in December 2016. Some donors have already increased their contributions accordingly.

64. A $1 billion Central Emergency Response Fund would enhance its impact while maintaining its focus, scope and speed. It would ensure that the Fund can continue to carry out the life-saving mission assigned to it by the General Assembly. All Member States have the responsibility to ensure that the Fund can grow to reflect the current scale of humanitarian need.

The Fund and the Grand Bargain on humanitarian financing

65. At the World Humanitarian Summit, held in Istanbul in May 2016, donors and humanitarian actors reached an agreement on the Grand Bargain, which is a call to deliver more resources to people in need and to do so more effectively and efficiently. It recognizes that with the world's humanitarian response system woefully short of resources, new approaches are required immediately.

66. The 10 commitments outlined in the Grand Bargain aim to foster greater efficiency in aid delivery, including through less earmarking of humanitarian donor funding, improved transparency in aid delivery, reduced management costs, greater support for national and local humanitarian responders and a commitment to cash-based programming.

67. The Fund is closely aligned with many of the commitments contained in the Grand Bargain. The Fund is the only global, flexible and unearmarked fund of its scale, which facilitates quick delivery of humanitarian assistance to people in humanitarian emergencies anywhere and at any time. Projects for funding are jointly prioritized and selected by humanitarian organizations on the ground based on assessed needs, which leads to improved coordination of the response towards the delivery of collective outcomes. The Fund is at the forefront of transparency, with grant data available in real time on numerous platforms, including the Financial Tracking Service, the Humanitarian Data Exchange, the Fund website and the International Aid Transparency Initiative. The Fund has a light reporting framework, which requires one consolidated report on behalf of all implementing organizations. All reports are publicly available on the Fund website. In addition, the Fund is an important source of funding to frontline responders. More than a quarter of all its funds in 2015 (the latest year for which data are available) were subgranted to implementing partners of United Nations recipient organizations including 143 international NGOs, 320 national and local NGOs, 161 government entities and 24 Red Cross/Red Crescent societies (see para. 40 above).

Endorsement of a $1 billion per year funding target for the Fund

68. In December, the General Assembly formally endorsed the call to expand the annual funding target of the Fund. Recognizing the significant achievements of the Fund in facilitating life-saving assistance to crisis-affected people, the Assembly adopted resolution 71/127, in which it called upon all Member States (and invited the private sector and all concerned individuals and institutions) to consider increasing their voluntary contributions to the Fund to reach the $1 billion target.

69. At the high-level conference on the Central Emergency Response Fund held in 2016, panellists from Member States and United Nations organizations expressed their support for an expanded Fund. In addressing the conference, the then-Secretary-General, Ban Ki-moon, endorsed the expanded Fund and called for Member States and United Nations organizations to get their funding priorities straight and put the most vulnerable first.

70. The Fund is, by design, a way to help the international community get its funding priorities straight. Work will continue in 2017 to make good on the promise of the Grand Bargain and the potential that a $1 billion Fund has to offer, while keeping a focus on the children, families and communities found to be in the midst of crises. They have the most to gain, and the most to lose, from the way such priorities are aligned and how they are funded.

Annex I

A. Central Emergency Response Fund grant element: statement of financial performance from 1 January to 31 December 2016[a]

(United States dollars)

Revenue	
Voluntary contributions[b]	373 453 016
Other transfers and allocations	94 917
Investment revenue[c]	1 315 639
Total revenue	**374 863 572**
Expenses	
Grants and other transfers	433 935 365
Other operating expenses[d]	17 330 347
Total expenses	**451 265 712**
Surplus/(deficit) for the year	**(76 402 140)**

[a] Statements were prepared in accordance with the International Public Sector Accounting Standards.

[b] Represents voluntary contributions in accordance with the International Public Sector Accounting Standards.

[c] Includes net investment revenue of $214,744 earned on the loan component of the Central Emergency Response Fund in accordance with General Assembly resolution 66/119.

[d] Includes programme support costs (United Nations) of $9,677,107 and net exchange losses of $9,062,379.

B. Central Emergency Response Fund grant element: statement of changes in net assets from 1 January to 31 December 2016[a]

(United States dollars)

Net assets as at 31 December 2015	305 788 416
Change in net assets	
Surplus/deficit for the year	**(76 402 140)**
Total change in net assets	**(76 402 140)**
Net assets as at 31 December 2016	**229 386 276**

[a] Statements were prepared in accordance with the International Public Sector Accounting Standards.

Annex II

Central Emergency Response Fund grant element: contributions pledged, 1 January to 31 December 2016

(United States dollars)

Contributor	*Pledged contributions*[a]
Member States and observers	
Albania	1 000
Andorra	16 633
Argentina	60 000
Armenia	5 000
Australia	7 728 582
Bangladesh	5 000
Belgium	10 893 246
Canada	22 528 736
Chile	30 000
China	500 000
Cyprus	13 910
Denmark	15 151 515
Djibouti	1 000
Estonia	109 890
Finland	7 803 790
Germany	55 133 606
Guyana	2 179
Iceland	300 000
India	500 000
Indonesia	200 000
Iraq	5 000
Ireland	13 917 151
Italy	2 507 694
Japan	1 285 908
Kazakhstan	10 000
Kuwait	1 000 000
Liechtenstein	201 816
Luxembourg	4 923 414
Monaco	55 866
Montenegro	2 000
Myanmar	10 000
Netherlands	60 175 055
New Zealand	2 063 274
Norway	45 385 514
Pakistan	10 000
Peru	3 973
Philippines	5 000

Contributor	*Pledged contributions**
Portugal	54 705
Republic of Korea	4 000 000
Russian Federation	1 500 000
Saudi Arabia	150 000
Singapore	50 000
South Africa	428 878
Spain	2 219 756
Sweden	83 349 933
Switzerland	8 007 256
Thailand	20 000
Turkey	450 000
United Arab Emirates	1 000 000
United Kingdom of Great Britain and Northern Ireland	69 720 796
United States of America	3 000 000
Viet Nam	10 000
Sovereign Military Order of Malta	5 000
Total, Member States and observers	**426 512 076**
Regional and local authorities	
Government of Flanders (Belgium)	659 341
Total, regional and local authorities	**659 341**
Other	
Private donations through the United Nations Foundation (under $10,000)	19 632
Total, other	**19 632**
Total	**427 191 049**

* Contributions are based on the pledged year of the donors and differ from the amount reported as revenue under the International Public Sector Accounting Standards. Actual received contributions may differ from the originally recorded pledges, owing to fluctuations in exchange rates.

Annex III

Total grants allocated from the Central Emergency Response Fund, 1 January to 31 December 2016

(United States dollars)

Country	*Rapid response*	*Underfunded emergencies*	*Total*
Iraq	33 354 244		33 354 244
Uganda	10 297 497	18 060 027	28 297 524
Sudan	17 644 007	6 991 425	24 635 432
Nigeria	23 483 769		23 483 769
South Sudan	20 823 623		20 823 623
Ethiopia	9 491 863	10 991 119	20 482 982
Chad	9 991 552	10 000 551	19 992 103
Democratic Republic of the Congo	5 594 179	10 995 505	16 589 684
Mali		15 999 980	15 999 980
Yemen	2 000 000	12 988 837	14 988 837
Democratic People's Republic of Korea	5 054 519	8 000 692	13 055 211
Burundi		12 985 955	12 985 955
Somalia	12 885 332		12 885 332
United Republic of Tanzania	1 498 097	10 994 664	12 492 761
Libya		11 989 024	11 989 024
Central African Republic	2 985 563	8 999 815	11 985 378
Haiti	10 383 240		10 383 240
Afghanistan	9 782 398		9 782 398
Jordan	9 377 520		9 377 520
Rwanda	4 218 944	4 998 778	9 217 722
Fiji	8 022 382		8 022 382
Angola	7 989 386		7 989 386
Ecuador	7 501 349		7 501 349
Madagascar	5 988 888		5 988 888
Cuba	5 352 736		5 352 736
Niger	4 989 275		4 989 275
Kenya	962 943	3 998 746	4 961 689
Bangladesh	4 890 038		4 890 038
Guatemala	4 829 690		4 829 690
Lesotho	4 782 918		4 782 918
Papua New Guinea	4 736 155		4 736 155
Mozambique	4 679 803		4 679 803
Sri Lanka	4 320 080		4 320 080
Cameroon	4 187 543		4 187 543
Viet Nam	3 897 864		3 897 864
Myanmar	3 570 457		3 570 457
Swaziland	3 141 908		3 141 908
Guinea	2 971 319		2 971 319

Country	*Rapid response*	*Underfunded emergencies*	*Total*
Mongolia	2 442 974		2 442 974
Republic of the Congo	2 366 915		2 366 915
Eritrea		2 002 599	2 002 599
Djibouti	1 972 054		1 972 054
Côte d'Ivoire	1 965 416		1 965 416
Nepal	1 942 999		1 942 999
Malawi	1 437 503		1 437 503
Timor-Leste	846 703		846 703
Lao People's Democratic Republic	328 811		328 811
Total	**288 984 456**	**149 937 717**	**438 922 173**

Note: The amount of total allocated funds in the present annex is based on the approval of the Under-Secretary-General and Emergency Relief Coordinator.

Annex IV

A. Central Emergency Response Fund loan element: statement of financial performance from 1 January to 31 December 2016[a]

(United States dollars)

Revenue	
Investment revenue[b]	–
Total	–
Expenses	
Total	–
Surplus for the year	–

[a] Statements were prepared in accordance with the International Public Sector Accounting Standards.

[b] Net investment revenue of $214,744 was reflected in the grant element of the Central Emergency Response Fund in accordance with General Assembly resolution 66/119.

B. Central Emergency Response Fund loan element: statement of changes in net assets from 1 January to 31 December 2016[a]

(United States dollars)

Net assets as at 31 December 2015	30 000 000
Change in net assets	
Surplus for the year	
Total change in net assets	–
Net assets as at 31 December 2016	**30 000 000**

[a] Statements were prepared in accordance with the International Public Sector Accounting Standards.

Annex V

Central Emergency Response Fund loans, 1 January to 31 December 2016

(United States dollars)

Agency	*Country region*	*Year of disbursement*	*Amount*
Outstanding loans as at 1 January 2016			
Total			–
Loans disbursed, 1 January to 31 December 2016			
UNRWA	Occupied Palestinian Territory (West Bank and Gaza, including occupied East Jerusalem), Jordan, Syrian Arab Republic and Lebanon	2016	20 000 000
UNICEF	Haiti	2016	8 000 000
Total			**28 000 000**
Loans repaid, 1 January to 31 December 2016			
UNRWA	Occupied Palestinian Territory (West Bank and Gaza, including occupied East Jerusalem), Jordan, Syrian Arab Republic and Lebanon	2016	20 000 000
Total			**20 000 000**
Outstanding loans as at 31 December 2016			
Total			**8 000 000**

Abbreviations: UNICEF, United Nations Children's Fund; UNRWA, United Nations Relief and Works Agency for Palestine Refugees in the Near East.